PRELIMINARY DRAFT

IMPLEMENTATION OF TERMS AND CONDITIONS OF AN ENERGY PROJECT CERTIFICATE AND ENERGY OPERATION CERTIFICATE

A TECHNICAL DISCUSSION PAPER

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INTRODUCTION

British Columbia's Utilities Commission Act, (R.S.B.C., 1980, c. 60), referred to in this paper as "the Act," provides for the review and certification of major energy projects, and for the removal of energy resources from the province. This is achieved through the "energy project review process."[1] The Act specifies that for any "regulated project" an Energy Project Certificate is required before construction.[2] Before operation, an Energy Operation Certificate is required. The Act provides that this certification can be subject to specific terms and conditions.

This technical discussion paper outlines the role and functions of such "terms and conditions" within the energy project review process and the basis for their implementation. Emphasis is on the application and enforcement of the terms and conditions attached to an Energy Project Certificate and an Energy Operation Certificate.

This paper discusses the major factors affecting the design and implementation of terms and conditions. It provides background information on the requirements of the Act and the implications for managing energy projects during construction and operation. The purpose of this paper is to assist in the development of the energy project review process; it is a technical discussion paper and not a statement of ministry policy. Clearly this paper does not alter the Act, its regulations or other statutes of British Columbia.

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1 For details, see Guide to the Energy Project Review Process, 1982, Ministry of Energy, Mines and Petroleum Resources, Energy Resources Division, Project Analysis Branch.

2 Section 16 of the Act defines "regulated projects" in detail. These include major energy generation, transport or use projects. See Appendix One.

TERMS AND CONDITIONS: STATUTORY BASE

The Act provides for project approval and establishment of terms and conditions in one of three ways. The first is the issuance of an Energy Project Certificate by Cabinet under Section 19(1)(a), after a public review and a report and recommendations from the British Columbia Utilities Commission (the Commission). On receipt of the Commission's report and recommendations, Cabinet may order that:

(a) an Energy Project Certificate be issued, subject to conditions considered to be in the public interest. These conditions may include:

- a requirement that natural gas be supplied only under contract with the B.C. Petroleum Corporation and the project operator;
- other conditions considered necessary to be included in an Energy Operation Certificate.

(b) an approval, licence or permit under the Pollution Control Act and Water Act be issued, subject to any terms and conditions specified by Cabinet (see Section 21 of the Act).

The Act further states that "on completion of the construction of a regulated project for which an Energy Project Certificate was issued, the Lieutenant Governor in Council shall, on being satisfied that the conditions of the Energy Project Certificate have been substantially complied with, issue an Energy Operation Certificate ..." (Section 21(3)). This may include the conditions referred to in (a) above.

The second provision for project approval and establishment of terms and conditions applies to public utilities. Pursuant to Section 19(1)(b), the Minister of Energy, Mines and Petroleum Resources has the option of ordering that an application be dealt with directly by the Commission under Part 3 of the Act.

The Commission may then establish various conditions of approval, as it is empowered to do in its regulation of public utilities.

Thirdly, under Section 19(1)(c), the Minister of Energy, Mines and Petroleum Resources, with the concurrence of the Minister of Environment, can exempt a project from provisions of the Act, with any conditions considered necessary (and that are consistent with approvals under the Water Act and Pollution Control Act).

Thus, terms and conditions under the Act can be established by Cabinet, by the Commission, or by the Minister of Energy, Mines and Petroleum Resources, depending upon the disposition of an application. These terms and conditions can encompass broad public concerns in a general or specific manner. They must, however, fall within the general scope of the Act and cannot, except where specifically provided for, alter the requirements or procedures of other statutes.

The Act also contains provisions to enforce substantial compliance with the terms and conditions of approval. Where a certificate holder contravenes the terms of an Energy Project Certificate or Energy Operation Certificate, the construction or operation may be restrained in a proceeding brought by the Minister of Energy, Mines and Petroleum Resources in the Supreme Court [Section 17(2) of the Act]. In addition, a minimum fine of $10,000 per offence can be imposed [Sections 124(1)(b) and 124(4) of the Act].

ENERGY PROJECT REVIEW PROCESS

The general stages of planning, review, approval and implementation of major energy projects in British Columbia are outlined in Figure 1. B.C. Regulation 388/80, pursuant to the Act, requires that an application for an Energy Project Certificate contain information on the proposed project, including "identification and preliminary assessment of any impacts by the project on the physical, biological and social environment; and proposals for reducing negative impacts and obtaining the maximum benefits from positive impacts" (see Appendix One).

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FIGURE 1

OUTLINE OF PLANNING AND IMPLEMENTATION PROCESS FOR MAJOR ENERGY PROJECTS IN BRITISH COLUMBIA

STAGE	FUNCTIONS
PRE–APPLICATION	Initial Consultation and Studies – Project description – Data collection – Review of preliminary and proposed studies – Review of terms of reference for preparation of application
APPLICATION	Presentation of Studies – Project justification – Identification and assessment of impacts – Proposals for mitigation/compensation – Proposals for implementation – Identification of data deficiencies/uncertainties
PUBLIC HEARING* (Optional)	Evaluation of Studies – Review of design plans – Elaboration of impact assessment – Refinement of mitigation/compensation and implementation – Further evaluation and clarification of data and deficiencies
ENERGY PROJECT CERTIFICATE	Approval-in-Principle and Terms and Conditions – Approval of design and location – Certificate terms and conditions; mitigation/compensation measures – Certificate terms and conditions; contingency planning measures – Establishment in principle of surveillance and monitoring responsibilities
OTHER PERMITS	Specific Approvals and Terms and Conditions – Issuance of permits and approvals under other statutes – Detailed terms and conditions by statute – Terms and conditions from all sources incorporated into contract specifications
PRE–CONSTRUCTION	Site Interpretation of Terms and Conditions – Field review of contract specifications and regional liaison – Finalization of construction procedures and mitigation measures – Finalization of surveillance and monitoring programs by responsible agencies – Collection of additional baseline monitoring data if required
CONSTRUCTION	Implementation of Terms and Conditions – Field adjustment to design plans as required – Surveillance of compliance with terms and conditions – Monitoring of environmental/socio-economic conditions – Contingency response to impacts
POST–CONSTRUCTION	Implementation of Terms and Conditions/Compliance with Certificate – Surveillance of compliance with terms and conditions – Monitoring of environmental/socio-economic conditions – Additional remedial measures as required – Evaluation of substantial compliance with certificate
ENERGY OPERATION CERTIFICATE	Operational Terms and Conditions – Further conditions as necessary – Surveillance and monitoring as required.

*This assumes disposition of application under section 19(1) (a) of the *Utilities Commission Act*.

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A certain level of information which satisfies the requirements of Regulation 388/80 is necessary for issuance of an Energy Project Certificate. The terms and conditions specified in a certificate will generally reflect an "approval-in-principle" level of detail. Accordingly, they will recognize the ongoing process of finalizing detailed "design plans", and the need to make minor adjustments to such detailed plans prior to, and during, the construction of approved projects. (These adjustments must be within the scope of the broader approval).

In many cases, the application information will be limited by an inability to anticipate all environmental and socio-economic impacts during the planning stages. Some impacts can be predicted as certain or probable consequences of an energy development project, and mitigation measures can be specified. However, many impacts cannot be predicted and precisely defined in the early stages. Some impacts cannot be fully assessed until actual construction or operation begins. It is often difficult, for example, to predict the scale, timing and nature of social impacts. Management of such impacts requires the preparation of appropriate response and compliance mechanisms. Where these mechanisms relate to responsibilities of the proponent, they should be described in the application.

The energy project review process must include an ability to identify and respond to impacts before, during and after constuction. The management of environmental and socio-economic impacts, therefore, involves a "process" rather than simply a one-stage review and approval procedure. Typically, design plans and mitigation proposals are refined, adapted and supplemented in an ongoing manner as information and experience dictate.

The design and review of major energy projects will normally result in identifying a set of clearly defined impacts which are a direct consequence of development; and secondly, a set of uncertain impacts which cannot be fully predicted during the planning stages. Figure 2 outlines the general steps in developing and implementing terms and conditions which could evolve from the review and approval of a project.

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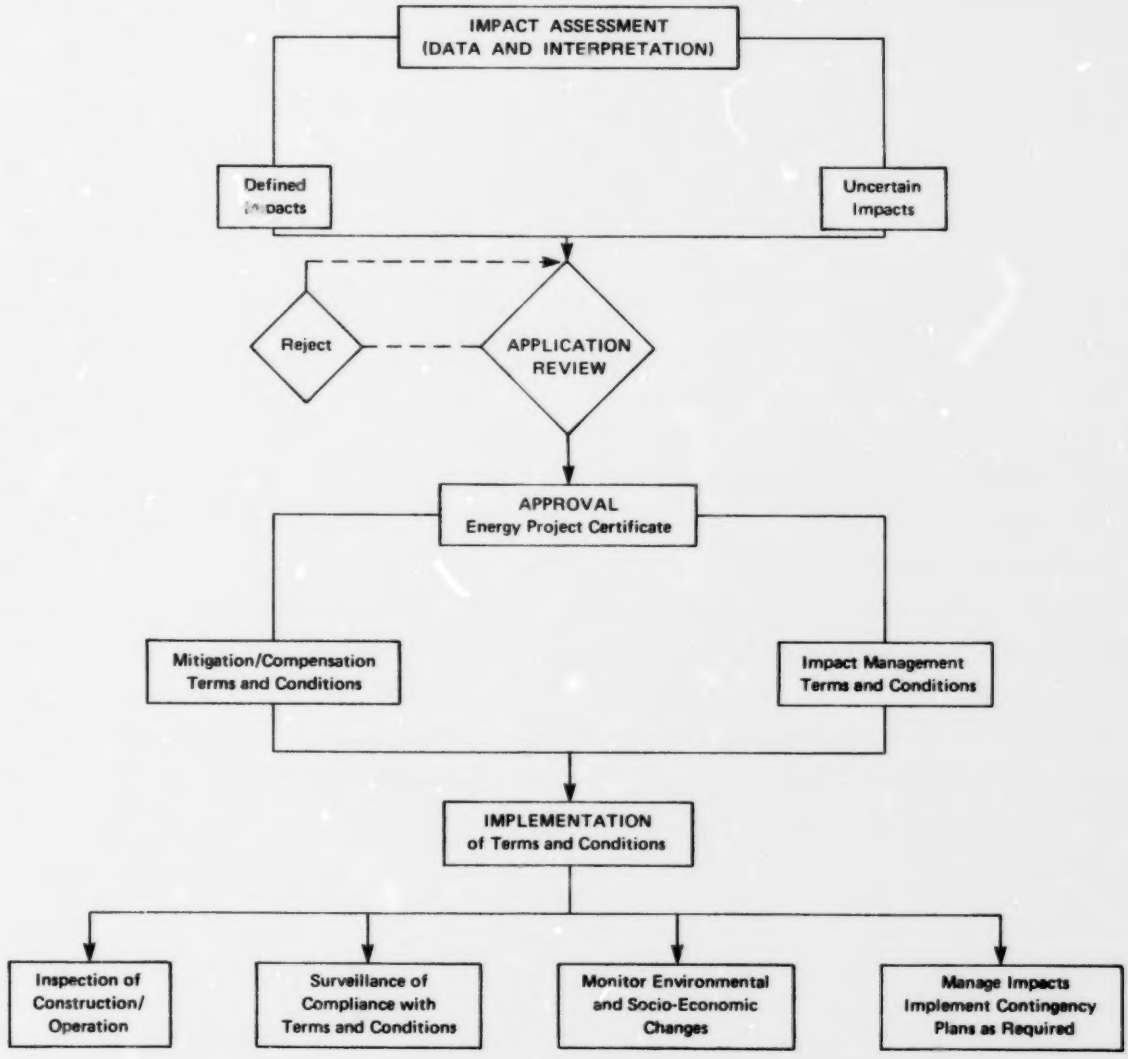
FIGURE 2

APPROVAL AND IMPLEMENTATION OF TERMS AND CONDITIONS



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In Figure 2, "mitigation/compensation terms and conditions" refer to known stipulations and measures which require implementation as part of an approved development plan. They include the impact mitigation measures which address relatively distinct impacts that are anticipated. General compensation requirements and/or procedures would also be specified in these terms and conditions.

"Impact management terms and conditions" are the measures for managing uncertain or unforeseen impacts. They would include contingency plans to be implemented if and when a particular impact arises, and appropriate procedures for ensuring that impacts are identified and responded to by the proponent and responsible agencies or committees.

Thus, implementation of terms and conditions involves a combination of tasks. Terms and conditions attached to an Energy Project Certificate could encompass procedures for ensuring the implementation of both project "mitigation/compensation" measures and "impact management" plans by the proponent.

Terms and conditions established under the Act can address all issues considered to be in the public interest. These are, nevertheless, limited by the scope and perspective within which the Act is intended to operate. It is anticipated that an Energy Project Certificate would focus upon the overall project justification, design and management, and incorporate the type of terms and conditions discussed above. Matters specifically related to other statutes would be considered in the normal approvals, permits and licences issued under such statutes. Extensive consultation will be required to ensure that terms and conditions arising from these various government requirements are established and implemented in a coordinated manner.

IMPLEMENTATION OF TERMS AND CONDITIONS

Four interrelated activities are involved in implementing of terms and conditions:

1. Inspection refers to activities of the proponent to ensure that construction and operation comply with terms and conditions and contract specifications.
2. Surveillance refers to activities of government for ensuring compliance with the specific terms and conditions imposed by law on a company. (This is the field verification and enforcement aspect of government requirements).
3. Monitoring refers to the systematic observation and measurement of environmental, social and economic changes which occur as a result of a project, and the collection of data by the proponent or by government to facilitate ongoing management of project impacts.
4. Management refers to activities of government and the proponent to jointly respond to impacts by taking the necessary remedial action to avoid or mitigate adverse impacts or to maximize beneficial impacts.

The scope and delegation of these activities depend upon the nature of each particular project. On major projects, the existing resource management and social service agencies are likely to have a key role in surveillance, monitoring and management during the short-term construction period and over the long term. Appendix Two lists the major provincial agencies involved in energy projects and identifies their areas of interest. These agencies generally have the authority and capability to undertake such programs. However, the addition of responsibilities related to an Energy Project Certificate may require enhancement of staff.

Additional responsibility for inspection of construction and operation activities lies with the holder of an Energy Project/Operation Certificate. This includes ensuring that terms and conditions of certification are adequately implemented by contractors. In many instances the proponent will also

have responsibility for monitoring impacts of the projects. The monitoring functions may also be shared with appropriate government agencies.

Responsibilities for overseeing compliance with terms and conditions under the Act can be delegated in two ways:

1. Upon issuance of an Energy Project Certificate and Energy Operation Certificate, the Cabinet could specify the role of provincial government agencies in facilitating impact management and compliance with terms and conditions; and

2. The Water Act and Pollution Control Act licences, permits and approvals issued in accordance with Section 21(1)(c) of the Act could include the compliance procedures administered by the Ministry of Environment staff.

The general process for ensuring compliance with terms and conditions is outlined in Figure 3. The organization of tasks for this implementation phase will depend upon the relevant government agencies or groups of agencies reponsible for managing impacts of a particular energy project. The scope of this organization will reflect:

(a) the legal powers and responsibilities to ensure compliance with statutory approvals issued for the project;

(b) the administrative responsibility and authority to manage natural resources, infrastructure, facilities, services and communities which are affected by the project;

(c) the technical resources, manpower, expertise, and delivery capability to enforce approvals, and to monitor and manage environmental and socio-economic impacts of the project; and

(d) public input mechanisms to identify and address impact concerns.

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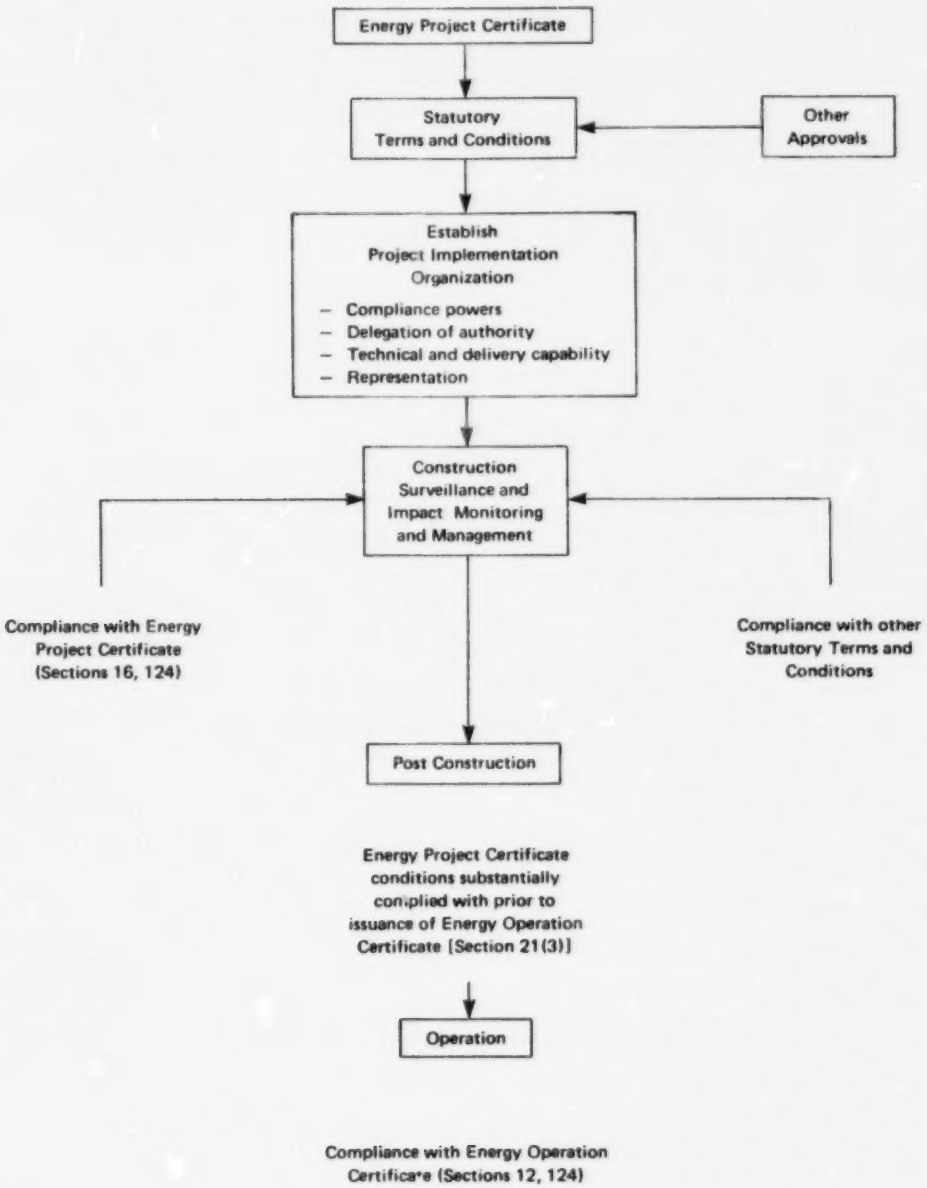
FIGURE 3

PROCESS FOR COMPLIANCE WITH TERMS AND CONDITIONS


Energy Project Certificate
Statutory Terms and Conditions
Other Approvals
Establish Project Implementation Organization
– Compliance powers
– Delegation of authority
– Technical and delivery capability
– Representation
Construction Surveillance and Impact Monitoring and Management
Compliance with Energy Project Certificate (Sections 16, 124)
Compliance with other Statutory Terms and Conditions
Post Construction
Energy Project Certificate conditions substantially complied with prior to issuance of Energy Operation Certificate [Section 21(3)]
Operation
Compliance with Energy Operation Certificate (Sections 12, 124)

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In the case of a public utility application, pursuant to Section 19(1)(b) and subject to Part 3 of the Act, the Commission is responsible for final compliance with a Certificate of Public Convenience and Necessity. Any surveillance and monitoring reports which might be appropriate to this Certificate would, therefore, be submitted directly to the Commission, unless otherwise specified.

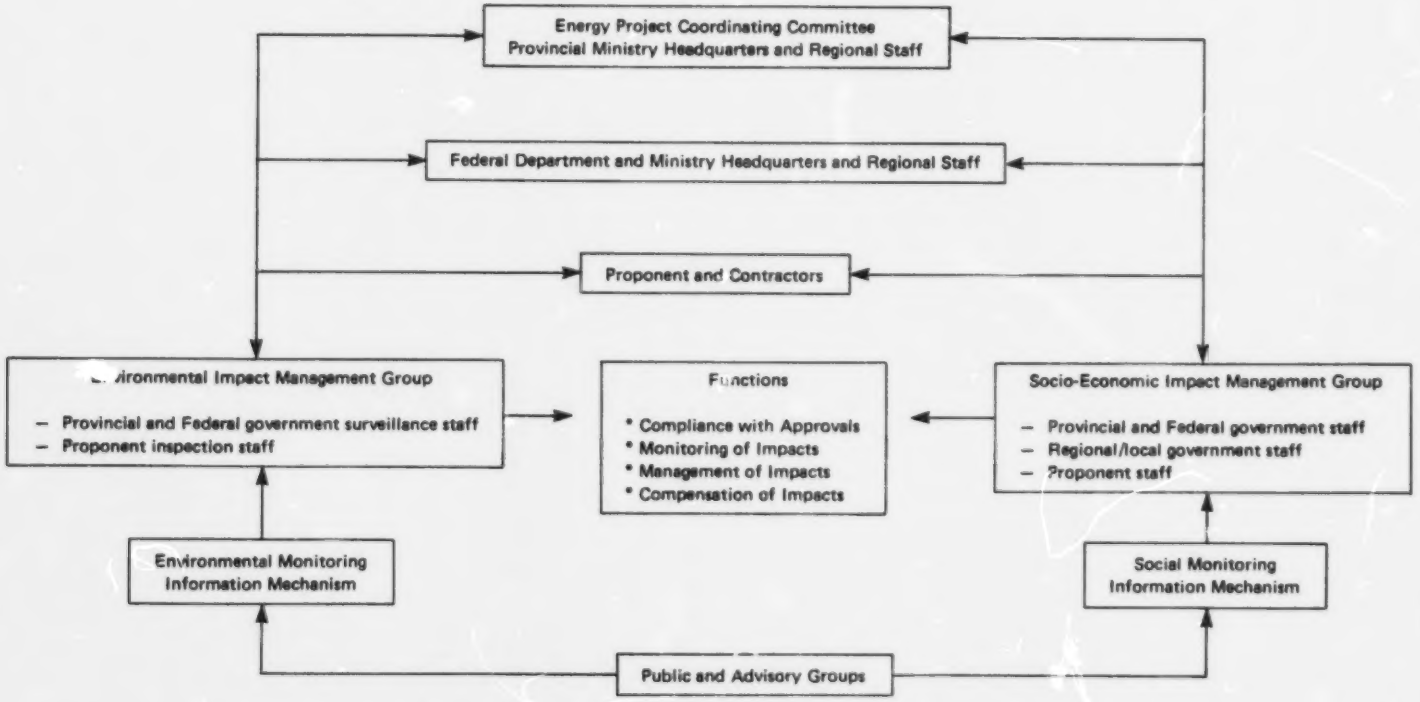
ORGANIZATION FOR IMPLEMENTATION OF TERMS AND CONDITIONS

The specific organization for implementation terms and conditions must be guided by a project's characteristics. However, it is possible to identify a general framework for the potential management of project impacts.

Figure 4 suggests that two groups, an environmental impact management group and a socio-economic impact management group, could be the appropriate focus for field implementation of terms and conditions. Members of these operational groups would report to their individual supervisors, and to established committees, such as the Regional Resource Management Committees. They would not be independent, but rather would serve to supplement and coordinate the duties of existing government agencies. These groups would be represented by the proponent, relevant provincial and federal government agencies, and regional and local governments. Wherever feasible, they should be relatively small field-oriented groups which manage the day-to-day compliance and impact issues.

These groups would provide the principle means of resolving issues in the field. Unresolved disputes would be forwarded to the headquarters and ministerial level, as necessary. Final authority to make requirements of a proponent would be derived from the statutory powers of various government institutions. The key purpose of these groups however, is to ensure a coordinated and cooperative approach to project management.

FRAMEWORK FOR ENVIRONMENTAL AND SOCIO–ECONOMIC IMPACT MANAGEMENT


Energy Project Coordinating Committee
Provincial Ministry Headquarters and Regional Staff
Federal Department and Ministry Headquarters and Regional Staff
Proponent and Contractors
Environmental Impact Management Group
– Provincial and Federal government surveillance staff
– Proponent inspection staff
Functions
* Compliance with Approvals
* Monitoring of Impacts
* Management of Impacts
* Compensation of Impacts
Socio-Economic Impact Management Group
– Provincial and Federal government staff
– Regional/local government staff
– Proponent staff
Environmental Monitoring Information Mechanism
Social Monitoring Information Mechanism
Public and Advisory Groups

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The principle functions of these groups would be to:

(a) ensure compliance through government surveillance and proponent inspection;
(b) undertake proponent and/or government impact monitoring;
(c) manage impacts which occur by recommending or taking remedial action; and
(d) provide an initial forum for compensation claims.

The two groups would also be responsible for collection of impact monitoring information which would facilitate the specific identification of impacts. These monitoring mechanisms would vary depending upon the project. They might simply include access to the existing data collection activities of government and proponent or more elaborate impact information centres or programs established to monitor the effects of major development projects. The monitoring procedures should also incorporate opportunities for public input and feedback on project management.

The broad framework outlined in Figure 4 reflects some of the working relationships that already exist between various parties during the construction of major projects. The structure must be designed to meet the specific needs of particular projects. It should strive to fulfill project requirements through inter-agency coordination and by utilizing existing programs in the region where the major energy project is located.

SUMMARY

1. The Utilities Commission Act (1980) provides for the certification of major energy projects, subject to any terms and conditions deemed by Cabinet to be in the public interest. Cabinet must be satisfied that these conditions have been complied with before issuance of an Energy Operation Certificate.

2. Two general categories of terms and conditions are likely to develop. The first includes specific mitigation and compensation requirements addressing clearly defined impacts where management action can be specified in advance and incorporated within project plans.

   The second includes impact management procedures for managing less certain or unforseen impacts, with provisions to respond to impacts as they occur. These terms and conditions, along with the approved design plans, may require substantial elaboration and adaptation prior to, during, and after construction.

   Adequate mechanisms should exist on the part of the proponent and government to ensure an effective application of, and compliance with, terms and conditions.

3. An applicant for an Energy Project Certificate should be prepared to identify the inspection program for ensuring compliance with the design plans and the mitigation and compensation measures submitted in the application. An Energy Project Certificate and Energy Operation Certificate can specify the responsibilities of the certificate holder for implementation of terms and conditions. These responsibilities can be specified in conjunction with government agencies.

4. The role of government agencies in the surveillance, monitoring, and management of energy projects will depend upon the particulars of each project. Responsibilities for these functions can, if deemed necessary, be specifically delegated by Cabinet, in conjunction with the surveillance and monitoring functions related to approvals issued under the Water Act, Pollution Control Act and other statutes, as required.

The delegation of functions must recognize the existing legal responsibilities of specific agencies, their administrative authority for ongoing management, and their resources and capabilities for undertaking the surveillance, monitoring, and impact management tasks required by a specific project. Similar discretion is necessary in developing logistics, enforcement, and reporting procedures for these activities on individual projects.

5. Field surveillance and monitoring functions as they relate to the Act should be organized to provide the Cabinet, through the Minister of Energy, Mines and Petroleum Resources or, in the case of certification under Part 3 of the Act, the Utilities Commission, with ongoing reports on the implementation of certificate terms and conditions. The capability of existing programs, government staff and committees to undertake these roles will have to be evaluated as the need arises.

An effective structure should build upon the various existing line agencies and inter-agency committee functions, with provision for supplementary staff as required. This serves to avoid duplication and to develop ongoing proficiency in energy project management.

6. The organization for implementation of terms and conditions should have two field oriented impact management groups, namely, environmental and socio-economic. These groups should incorporate the proponent, senior government agencies, regional and local government, with suitable provision for public input. With access to adequate monitoring data and

policy guidance from senior authorities, these operational groups would have the delegated responsibility to report on compliance with approved plans, monitor and manage impacts, and to address compensation claims. The impact management groups would be responsible for detailed program design which would embrace such aspects as impact information, public consultation, reporting procedures, remedial measures, et cetera, for specific projects.

This technical discussion paper has outlined some of the general issues and procedures related to the implementation of terms and conditions for approved energy projects, pursuant to the Utilities Commission Act. Further development and refinement of these general procedures is anticipated over time through the energy project review process.

APPENDIX ONE

EXCERPTS FROM THE UTILITIES COMMISSION ACT, PART 2
AND B.C. REGULATION 388/80

UTILITIES COMMISSION ACT

PART 2

Interpretation

16. In this Part

"energy"
includes every form of energy;

"energy operation certificate"
means a certificate issued by the Lieutenant Governor in Council under this Act, authorizing the holder of the certificate to operate a regulated project;

"energy project certificate"
means a certificate issued by the Lieutenant Governor in Council under this Act, authorizing the holder of the certificate to construct a regulated project;

"energy resource"
means natural gas and oil, and all other forms of petroleum and hydrocarbon, in gaseous or liquid state, and electricity;

"energy transhipment terminal" or "energy storage facility"
means a place where an energy resource is accumulated or stored in bulk as part of the process of being transported or distributed;

"energy use project"
means a mill, factory, plant, smelter, oil refinery, metal refinery or other undertaking or facility designed to use, convert or process an energy resource or coal, or any combination of them, at the rate of 3 PJ or more a year, and for the purpose of this definition an energy resource other than electricity is used, converted or processed at that rate where it is of a quantity capable of yielding that amount of energy by combustion;

"hydroelectric power plant"
means a facility for the generation of electricity, from the motion of water, or the position or potential motion of water, and includes associated dams, diversion works, water conduits and all structures, machinery, appliances, fixtures and equipment;

"regulated project"
means

(a) an electric transmission line of 500 kV or higher voltage,
(b) an energy transhipment terminal or energy storage facility, capable of storing an energy resource in a quantity that is capable of yielding by combustion 3 PJ of energy,
(c) an energy use project,
(d) a transmission pipeline, capable of transporting in one year natural gas, oil or solids, or a liquid or gas derived from them, in a quantity that is capable of yielding by combustion 16 PJ of energy,
(e) a hydroelectric power plant that has a capacity of 20 MW or more of electricity,
(f) a thermal electric power plant that has a capacity of 20 MW or more of electricity,
(g) an addition by which 20 MW or more of electric capacity will be added to a hydroelectric or thermal electric power plant,
(h) an addition to a regulated project, referred to in paragraphs (a) to (d), that would if constructed alone fall within the definition of "regulated project", and
(i) an undertaking of any kind that the Lieutenant Governor in Council designates to be significant in the matter of energy;

but "regulated project" does not include

(j) a project that is complete or in operation before this Act comes into force, or

(k) a project in respect of which, before this Act comes into force, site preparation or the fabrication, construction, installation or supply of buildings, equipment, machinery or other facilities has begun;

"review"

means a review under section 20;

"thermal electric power plant"

means a facility for the generation of electricity from the combustion of natural gas, oil, petroleum products, coal, wood or plant products or from the use of geothermal energy, and includes all associated structures, machinery, appliances, fixtures and equipment, and storage and handling facilities;

"transmission pipeline"

means a pipe or system of pipes through which natural gas, oil, solids, or a liquid or gas derived from natural gas, oil or solids, whether in suspension or other form is transported and includes compressor or pumping facilities and other equipment related to the operation of the transmission pipeline, associated terminal or storage facilities, but does not include

(a) flow lines from wells,

(b) secondary lines for gathering that are located within a producing area, or

(c) distribution lines that deliver to ultimate consumers.

Energy project and operation certificates

17. (1) No person shall, except to the extent that he is authorized to do so under section 19, construct or operate a regulated project except in accordance with an energy project certificate or energy operation certificate.

(2) Where a person contravenes subsection (1), the construction or operation may be restrained in a proceeding brought by the minister in the Supreme Court.

(3) The making of an order under subsection (2) does not prevent the imposition of a penalty under section 124.

Application for certificate

18. An application for an energy project certificate or for modification of it or of an energy operation certificate shall be made to the minister and shall contain information the minister prescribes.

Minister's disposition of application

19. (1) On receipt of an application under section 18 the minister may

(a) with the concurrence of the Minister of Environment, refer the application to the commission for a review,

(b) order, in a case where the application is made by a public utility, that the application be dealt with by the commission under Part 3 as an application for a certificate of public convenience and necessity, or

(c) with the concurrence of the Minister of Environment, order that the construction and operation of the regulated project is exempt from provisions of this Act specified in the order.

(2) Where the minister refers an application to the commission, he may designate a commissioner or temporary commissioner to act as chairman for the purpose of the review.

(3) An order under subsection (1) (c) may include any conditions that could be included in an energy project certificate or energy operation certificate under section 21 (1) (b), and a person constructing or operating the project is bound by them in the same way as if they had been included in an energy project certificate or energy operation certificate issued to him, and sections 17 and 124 apply.

Review by commission

20. (1) Where an application for an energy project certificate is referred to the commission for a review, the commission shall, subject to subsection (3), hear the application in public hearing in accordance with terms of reference specified jointly by the Minister of Energy, Mines and Petroleum Resources and the Minister of Environment, and on conclusion of the hearing shall submit a report and recommendations to the Lieutenant Governor in Council.

(2) The terms of reference may include a requirement that the commission consider and recommend whether an approval, licence or permit or an amendment to any of them should be made, given or issued under section 4, 5, 7, 8, 9 or 10 (4) of the Pollution Control Act or section 6 7, 10 or 11 of the Water Act.

(3) The commission may, for the purpose of receiving information or evidence that the commission considers is of a confidential character, exclude the public from the hearing while it receives that information or evidence.

Disposition of application by Lieutenant Governor in Council

21. (1) On receiving the report and recommendations of the commission the Lieutenant Governor in Council may order

(a) that the energy project certificate applied for be refused,

(b) that the energy project certificate applied for be issued subject to conditions he considers to be in the public interest, and the conditions may include

(i) a requirement that natural gas used by or in connection with the construction and operation of the project be supplied only under a contract which

(A) includes as parties the British Columbia Petroleum Corporation and the operator of the project, and

(B) includes terms specified by the Lieutenant Governor in Council, and

(ii) other conditions that the Lieutenant Governor in Council considers necessary to be included in an energy operation certificate for the project,

(c) that an approval, licence or permit or an amendment to any of them referred to in section 20 (2) be made, given or issued, subject to any terms or conditions the Lieutenant Governor in Council specifies,

and the order is final and binding.

(2) Where the Lieutenant Governor in Council gives a direction referred to in subsection (1) (c), the person, board, tribunal or agency that has, apart from this Act, the authority or power to issue or decide to make, give or issue the approval, licence or permit or amendment shall, notwithstanding anything in the Pollution Control Act or the Water Act, make, give or issue it in accordance with the direction, and the making, giving or issuance is final and not subject to any review or appeal under those Acts.

(3) On completion of the construction of a regulated project for which an energy project certificate was issued, the Lieutenant Governor in Council shall, on being satisfied that the conditions of the energy project certificate have been substantially complied with, issue an energy operation certificate for the regulated project, and may include in the energy operation certificate the conditions referred to in subsection (1) (b) (i) and (ii).

(4) Where a requirement referred to in subsection (1) (b) (i) is included in an energy project certificate or energy operation certificate,

(a) sections 44, 45, 64, 65, 66, 68, 69, 70 and 71 shall, with respect to the natural gas supplied under the required contract, operate to regulate only the part of the price to be paid for the natural gas by the certificate holder that consists of transportation costs and charges, and

(b) the revenue received by the British Columbia Petroleum Corporation or a public utility in respect of the sale of the natural gas to the holder of the certificate pursuant to the required contract shall not be subject to any levy or other payment pursuant to any agreement made by the municipality before or after this section comes into force under section 646 or 647 of the Municipal Act.

(5) No approval, licence or permit or amendment to any of them given, issued or made under subsection (2), shall be varied without the approval of the Lieutenant Governor in Council.

SCHEDULE

Application Requirements Under Section 18 of the Utilities Commission Act

1. An application under section 18 shall contain the following information:

(1) *Application for an Energy Project Certificate*

(a) *Applicant*

(i) the name, address and nature of business of the applicant and all other persons having a direct interest in the ownership or management of the project;

(ii) evidence of the financial and technical capacity of the applicant and other persons involved, if any, to undertake the project;

(iii) the name, title and address of the person with whom communication should be made respecting the application;

(iv) the name and address of legal counsel for the applicant, if any;

(b) *Project Description*

(i) a description of the project, its purpose and cost, including all ancillary or related facilities that are proposed to be constructed, owned or operated by the applicant;

(ii) an outline of the anticipated timetable for construction, operation, abandonment and reclamation, as applicable, together with dates by which critical events must take place to ensure continued economic viability;

(iii) a description of any new or expanded public works, undertakings or infra-structure that will be entailed by the project, together with an estimate of the costs and necessary completion dates;

(iv) identification and preliminary assessment of any impacts by the project on the physical, biological and social environments; and proposals for reducing negative impacts and obtaining the maximum benefits from positive impacts;

(c) *Project Justification*

(i) studies of the technical, economic and financial feasibility of the project, identifying assumptions and sources of data;

(ii) a study estimating the value of all of the project's costs and benefits and their distribution or, where not quantifiable, identifying the cost or benefit and stating that it cannot be quantified;

(d) *Ancillary Applications*

(i) a list of approvals, permits or licences required under the *Pollution Control Act* and *Water Act*, and whether they are being sought as part of the present application;

(ii) a list of other approvals, permits or licences required under federal, provincial and municipal law;

(e) *General*

(i) a description of the applicant's public information and consultation program;

(ii) other information as required by the minister, including supplementary information to clarify information contained in the application;

(2) *Application for Modification to an Energy Project Certificate or Energy Operation Certificate*

(*a*) the name, address and nature of business of any person who has a direct interest in the ownership or management of the project and who did not have an interest at the time of the previous application;

(*b*) a description of the proposed modification and explanation of its purpose;

(*c*) an assessment of the effects of the proposed modification in relation to the information and analyses contained in the original application;

(*d*) other information with, or to supplement, the application as required by the minister, including supplementary information to clarify information contained in the application;

(*e*) a copy of the existing Energy Project Certificate or Energy Operation Certificate.

APPENDIX TWO

MAJOR PROVINCIAL AGENCIES INVOLVED IN APPROVALS
AND MONITORING ENERGY PROJECTS

MAJOR PROVINCIAL AGENCIES INVOLVED
IN APPROVALS AND MONITORING ENERGY PROJECTS

AGENCY	MONITORING CONCERNS	APPROVALS COMPLIANCE	REGIONAL MANAGEMENT STAFF
A. ENVIRONMENT AND LAND USE AGENCIES			
AGRICULTURE & FOOD			
Farmland Resources Agricultural Land Commission	Agricultural land and industry, weed control, revegetation	Permits to remove topsoil, located in Agricultural Land Reserves (ALR)	District Agriculturist
ATTORNEY GENERAL			
Fire Commissioner's Office	Fuel storage, fire prevention	Permit for fuel storage	District Fire Commissioner
Coordinator of Native Indian Programs	Indian Reserve land and resource uses	---	---
ENERGY, MINES & PETROLEUM RESOURCES			
Mineral Resources	Resources and industry	Approval to locate in mineral reserve	District Geologist
Petroleum Resources	Resources and industry	Disturbance to petroleum and exploration leases	District Inspector
Energy Resources	Energy project requirements	Energy Project Certificate Energy Operation Certificate	—
ENVIRONMENT			
Assessment	Coordination of Ministry requirements	Environmental protection order, as required	Surveillance & Monitoring Coordinator, Victoria
Fish & Wildlife	Fish and wildlife populations and habitat	Approved mitigation measures hunting and fishing regulations	Regional Biologist, Conservation Officers

AGENCY	MONITORING CONCERNS	APPROVALS COMPLIANCE	REGIONAL MANAGEMENT STAFF
ENVIRONMENT (cont'd)			
Marine Resources	Marine aquatic habitat	Approved mitigation measures	Regional Biologist, Conservation Officer
Waste Management	Emissions and discharges, pollutant spills	Pollution Control Permit/ approval	Regional Waste Manager
Water Management	Construction near streams, water withdrawals	Water Licence/approval	Regional Water Manager
Pesticide Control	Use of herbicides and pesticides	Pesticide control permit	Regional Pesticide Control Manager
FORESTS			
Regional Operations	Timber clearing and disposal, access roads	Cutting Permit, Burning Permit	Regional Forest Manager, District Forest Manager, Zone Forester.
LABOUR			
Safety Engineering	Gas, electric, boiler construction and operation	Certificate to construct and operate	Chief Inspector
LANDS, PARKS & HOUSING			
Lands & Housing Regional Operations	Use of Crown land	Crown land lease/approval	Regional Operations Manager
Parks & Outdoor Recreation	Use of provincial park land	Park Use Permit	Regional Director
PROVINCIAL SECRETARY & GOVERNMENT SERVICES			
Heritage Conservation	Heritage sites	Permit to excavate or alter heritage sites	--

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TRANSPORTATION & HIGHWAYS			
Engineering & Inspection	Provincially regulated pipelines, railways tramways	Certificate to construct and operate	Chief Inspector
Motor Vehicle	Commercial transportation	Vehicle permits	Local Weigh Stations
Highways	Public highways and industrial roads	Approval of access and logistics plans	Regional Approving Officer
B. SOCIAL AND ECONOMIC AGENCIES			
ATTORNEY GENERAL			
Court Services	Program/facility demands	—	Regional & District Managers
Federal RCMP & local police services	Security measures	—	Royal Canadian Mounted Police, local police
Coordinator of Native Indian Programs	Indian community impacts, infrastructure and services	—	—
EDUCATION	Program/facility demands	Approval of additional services/facilities	Local school boards & staff, regional colleges
HEALTH	Construction groups, diagnostic & treatment services emergency services, facilities planning, community health services	Regulations for the sanitary control of industrial camps. Ministry approval of additional services. Regional Hospital District approval for planning hospital services	Local/regional hospitals boards & staff, Union Board of Health, Medical Health Officer & Ministry Staff, Zone coordinators for Emergency Health

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HUMAN RESOURCES	Family and children's services	—	Regional Administrator
INDUSTRY & SMALL BUSINESS DEVELOPMENT	Procurement opportunities	Procurement Policy Guidelines	Business Development Staff (Vancouver)
LABOUR			
Employment Standards	Work conditions, labour	Labour Standards Act	Regional Staff
Human Rights	Discrimination	Human Rights Act	—
Occupational Environment	Health and safety in factories	Licences	—
Apprenticeship & Manpower Training	Recruitment and training	Manpower Plan	—
LANDS, PARKS & HOUSING			
Parks	Demands for parks and outdoor recreation activities	Park use permit, resource use permit	Regional Director
Housing Programs	Housing demands		Regional Operations Manager
MUNICIPAL AFFAIRS	Community and settlement impacts, infrastructure development. Local government structure and finances	Municipal by-laws	Regional District, Local Councils
PROVINCIAL SECRETARY & GOVERNMENT SERVICES			
Recreation & Fitness	Recreational programs and facilities	—	—